

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS ATTORNEY GENERAL
DATA REQUEST NUMBER AG 7.18

Witness Responsible: Mary C. Kane
Title: Consultant-Stifel, Nicolaus & Company, Inc.
Phone No.: (314) 342-2233
Date Received: February 15, 2008
Docket No.: 07-0507

AG 7.18

Referring to IAWC Ex. 10.40, page 6, lines 121-123; page 7, line 160; and page 12, line 256-257, how does Ms. Kane define the term unreasonable used in her Rebuttal Testimony.

RESPONSE

Mr. Rothstein indicated in lines 128-132 of AG Exhibit 2 that: (Ms. Kane assumes based on his construction of Table 1) "*the disparity in charges between municipally owned systems and investor owned systems raises the question of whether the costs and rates of the investor owned system are reasonable*". The response that they are not "unreasonable" is based upon use of the word as defined in the Merriam Webster Dictionary, which defines the word "reasonable", as "not extreme or excessive, rather moderate or fair". The concept that the IOU rates and charges are "not unreasonable" is that they are not extreme nor excessive. They are fair. Ms. Kane believes that this definition is consistent with the requirement of Illinois law that utilities' rates be "just and reasonable," 220 ILCS 5/9-101, as explained in the response to AG 7.2.

Date Response Provided: 2.29-08

OFFICIAL FILE

ILL. C. C. DOCKET NO. 07-0507

AG Cross Exhibit No. 14

Witness _____

Date 3-26-08 Reporter CB